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High-level international intergovernmental consideration of financing for development

Programme budget for the biennium 2002-2003

Ensuring effective secretariat support for sustained follow-up to the outcome of the International Conference on Financing for Development

Programme budget implications of draft resolution A/C.2/57/L.62

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedures of the General Assembly

1. At its 43rd meeting, on 11 December 2002, the Second Committee adopted draft resolution A/C.2/57/L.62 without a vote. A statement on the programme budget implications of the draft resolution was before the Committee, in document A/C.2/57/L.74.

I. Requests contained in the draft resolution

2. Under the terms of paragraphs 3, 4, 5, 7 and 8 of draft resolution A/C.2/57/L.62, the General Assembly would:

(a) Request the Secretary-General to establish, as soon as possible, from within existing resources of the United Nations Secretariat, appropriate secretariat support arrangements along the lines envisioned in paragraph 48 of the Secretary-General's report on the outcome of the International Conference on Financing for Development (A/57/344), with collaboration from other agencies and institutional stakeholders, and with a distinctive function to provide effective substantive secretariat support for sustained follow-up within the United Nations of the agreements and commitments reached at the Conference;

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(b) Decide that the functions of the new secretariat support structure should be of an integrating, cross-cutting and holistic nature and that it should, inter alia, serve as a focal point in the United Nations Secretariat for overall follow-up to the implementation of the outcome of the ICFFD, provide secretariat support to the intergovernmental process entrusted with the follow-up to the Conference, support and facilitate the participation of all stakeholders, follow closely issues and policies related to international economic, financial and development cooperation, and keep under review actions taken at all levels in follow-up to the Conference, as well as within the framework of international economic, financial and development cooperation in general;

(c) Request the Secretary-General to accord priority to the following main tasks related to follow-up activities: (i) promoting coherence and integrated approach within the United Nations to issues related to financing for development, fully utilizing the United Nations Chief Executives Board for Coordination mechanism; (ii) intensifying interactions with the secretariats of the World Bank, the International Monetary Fund and the World Trade Organization, as well as with other institutional stakeholders; (iii) continuing the involvement of other relevant stakeholders, including civil society organizations and the private sector; and (iv) preparing inputs for consideration by the intergovernmental bodies concerned;

(d) Decide that the provisions of the present resolution should be implemented, by utilization of existing resources, starting at the beginning of 2003;

(e) Request the Secretary-General to seek voluntary contributions to support the follow-up to the International Conference on Financing for Development.

II. Relationship of the proposed requests to the medium-term plan for the period 2002-2005 and the programme of work for the biennium 2002-2003

3. The activities to be carried out would relate to programme 7, Economic and social affairs, of the medium-term plan for the period 2002-2005 and section 9, Economic and social affairs, and section 27, Management and central support services, of the programme budget for the biennium 2002-2003.

4. In line with the medium-term plan for the period 2002-2005, the provisions under section 9 of the 2002-2003 programme budget has allowed the Department of Economic and Social Affairs to implement activities on the finance aspects of development, especially under subprogramme 4, Sustainable development, with regard to finance for sustainable development; subprogramme 7, Global development trends, issues and policies, particularly with regard to domestic resources mobilization for development, international private and official resources mobilization, external debt and systemic issues in international, monetary, financial and trading systems; and subprogramme 8, Public administration, finance and development, in respect of fiscal matters and issues of international cooperation in tax matters. The functions called for in the draft resolution are proposed to be carried out by a new Financing for Development Office in the Department of Economic and Social Affairs. As requested by the Committee for Programme and Coordination in paragraph 107 of its report (A/57/16), proposals for a new subprogramme on financing for development, under programme 7 of the medium-

term plan for 2002-2005, will be presented together with the proposed programme budget for 2004-2005.

III. Activities by which the requests would be implemented

5. It is foreseen that demands on existing substantive capacities and the scope of the tasks to be accomplished will increase substantially in responding to the resolution, and that the proposed consolidation will afford absorption to the maximum extent possible within existing resources. There are, however, specific tasks, particularly relating to the intensification of interactions and the efforts to facilitate the participation of all stakeholders, which are considered new and additional to tasks currently being carried out.

6. In the interests of optimizing the use of existing resources, it is the intention of the Secretary-General to carry out the programme of work envisaged under the draft resolution through consolidation of finance aspects of development and the redeployment of related staff resources under relevant subprogrammes in the newly established Financing for Development Office for the duration of the biennium 2002-2003. This will enable the creation of a critical mass of capacity for policy analysis in support of intergovernmental deliberations on finance for development issues, which will make it possible to provide distinctive, focused support for the follow-up to the Monterrey Consensus. This will be carried out in an integrating, cross-cutting and holistic manner, including the finance for development related aspects of the outcomes of relevant United Nations conferences, and within the framework of international economic, financial and development cooperation in general, as required by the draft resolution. It is initially estimated that the staff resources of the Office will consist of a total of 14 staff at the Professional level and above and 5 General Service (Other level) staff. Of the total number of posts required, 10 Professional (2 D-1, 2 P-5, 2 P-4, 3 P-3 and 1 P-2) and 3 General Service (Other level) posts will be redeployed from within the Department of Economic and Social Affairs. Additional posts, consisting of 1 D-2, 1 P-5, 1 P-4, 1 P-3 and 2 General Service (Other level), would therefore be required from the regular budget.

7. During the course of 2003, post and non-post requirements to implement the activities will be met through ad hoc interim measures for the use of existing resources referred to above together with the utilization of residual extrabudgetary resources under the existing trust fund that provided support to the International Conference on Financing for Development and its preparatory process. In this regard, it is the intention of the Secretary-General to seek the concurrence of donors to utilize the balance of the trust fund to provide support to the follow-up to the Conference as well as to seek voluntary contributions as provided for in paragraph 8 of draft resolution A/C.2/57/L.62.

8. The need to provide leadership for the envisaged programme of work and to expedite and manage the consolidation of the finance aspects of development within the new office in 2003 would necessitate the appointment of a Director at the D-2 level as head of the new Financing for Development Office, to be financed under the United Nations regular budget. The Director would be responsible for serving as the focal point in the United Nations Secretariat for the provision of secretariat support for sustained follow-up within the United Nations system to the implementation of

agreements and commitments reached at the International Conference on Financing for Development, as contained in the Monterrey Consensus. It is also estimated that other staff and non-staff resources would be required from the regular budget, in view of the complexity of the tasks. It is the intention of the Secretary-General, however, to request such additional resources in the context of his proposed programme budget for the biennium 2004-2005. At this stage, it is anticipated that the additional resources associated with one new D-2 post could not be absorbed within the provisions of the programme budget for the 2002-2003 biennium.

IV. Additional requirements

(a) Section 9, Economic and social affairs

9. Additional costs of $95,500 are estimated for the post of Director, at the D-2 level, accountable to the Under-Secretary-General for Economic and Social Affairs, to serve as head of the new Financing for Development Office.

(b) Section 27 D, Office of Central Support Services

10. An amount of $85,700 is required for central support services, of which $53,600 would provide for non-recurrent costs related to office alterations and acquisition of furniture and fixtures and $32,100 for recurrent costs to cover rental of premises.

Section 32, Staff assessment and income section 1, Income from staff assessment

11. An amount of $22,000 is needed to provide for staff assessment for the D-2 post under section 32, Staff assessment, to be offset by an equivalent amount under income section 1, Income from staff assessment.

V. Potential for absorption during the biennium 2002-2003

12. Implementation of the draft resolution A/C.2/57/L.62, would be met to a large extent through consolidation of finance aspects of development and the related staff resources under relevant subprogrammes into the newly established Financing for Development Office, as indicated in paragraph 6 above.

13. No resources are available for the establishment in 2003 of one D-2 post to serve as head of the new Financing for Development Office.

VI. Contingency fund

14. It is recalled that, under the procedure established by the General Assembly in its resolution 41/213 of 19 December 1986, a contingency fund is established each biennium to accommodate additional expenditures derived from the legislative mandates not provided for in the approved programme budget. Under that procedure, if additional expenditures are proposed that exceed the resources available within the contingency fund, the activities concerned can be implemented only through the redeployment of resources from low-priority areas or modifications

of existing activities. Otherwise, such additional activities will have to be deferred to a later biennium.

15. Under the procedure for operation of the contingency fund outlined in section C of the annex to General Assembly resolution 42/211 of 21 December 1987, the Secretary-General would, in his consolidated statement of all programme budget implications and revised estimates, make proposals for revising the consolidated amount so that it would not exceed the available balance. In so doing, the Secretary-General would be guided by the indications of alternatives included in each statement of programme budget implications and in each proposal for revised estimates. The respective legislative bodies should take action on such alternatives at the time they adopt the decision on the resolution in question.

16. It has not been possible to identify activities under sections 9 and 27 D of the programme budget for the biennium 2002-2003 that could be terminated, deferred, curtailed or modified during the biennium, in order to provide for the additional requirements. Consequently an amount of $203,200 (including staff assessment of $22,000 under section 32, Staff assessment, to be offset by an equivalent amount under income section 1, Income from staff assessment) would need to be appropriated.

VII. Recommendation

17. **The Fifth Committee may wish to inform the General Assembly that: (a) should it adopt the draft resolution in A/C.2/57/L.62, there would be financial implications arising of up to $203,200 (gross) for the regular budget in the biennium 2002-2003; and (b) any decision to be made as regards additional appropriations for the biennium 2002-2003 would be addressed at a later date by the Committee in its review of the consolidated statement of all programme budget implications and revised estimates.**